

Commission to Study Maine's Hospitals
Summary of Comments Received on December 2004 Draft Report

Although the majority of people providing testimony at the January 6 and 7th public hearings in Portland, Augusta, and Bangor presented on behalf of hospitals, the Commission also received written comments from a range of organizations other than hospitals, including, but not limited to, employers, consumer groups, and the Maine Quality Forum. Between the three public hearings and written comments sent to GOHPF, 28 people commented on behalf of hospitals, and 22 people commented as private citizens or on behalf of other organizations. The appendix lists all those providing comments.

Many hospitals sounded the same messages critical of the report:

- The consortium is unnecessary and redundant, as hospitals are already engaged in the activities envisioned in the consortium, and state representation on the consortium would have a chilling effect on collaboration.
- Several smaller and/or hospitals view the consortium as centralized control that would give too much influence to larger systems and that would result in downsizing of smaller hospitals and possible closure in the long-term.
- The data used in report are questionable / too selective.
- The report implies that poor hospital management is responsible for high insurance premiums.
- Cost-shifting is primary factor in high private insurance payments to hospitals, and MaineCare expansions result in increased utilization and shortfalls.
- Insurance companies also bear a large part of the responsibility for high insurance premiums.
- Hospital spending is driven as much by demand/utilization as by costs per unit.

In addition to criticisms, several hospitals explicitly noted support of the following:

- Voluntary targets for operating margins (but oppose targets for total margins).
- Continuation of reporting on cost and quality.
- Bond issue for EMR.
- Increasing capacity for CON review.

Additionally, Tony Marple of MaineGeneral noted that the biggest driver in healthcare spending is a payment system that does not include incentives for provision of efficient, effective care.

Acadia Hospital urges the Commission to recommend that any future study of mental health resources examine the necessity of two state-funded psychiatric hospitals.

Below is a summary of some of the comments made by representatives of other organizations:

- **Bath Iron Works.** Generally supportive of report, with particular mention of standardized financial reporting, Electronic Medical Records (EMR), voluntary expense and profit targets, and CON / CIF. Makes three additional points: (1)

supports consortium but urges addition of employer representation; (2) supports incentives for collaboration, but only if all payors make equivalent contributions; (3) urges inclusion of chapter on health insurance.

- **Unum Provident.** Generally supportive of report; protect CIF; change to Rule 850 seems to be a good thing since both employers and carriers complain about it. Unum's cost of providing health insurance to employees are higher in Maine than in other states; some – but not all – is due to cost-shift.
- **Maine Quality Forum.** Supports Commission's EMR recommendation. Notes the recently released Maine Health Information Network Technology feasibility study demonstrates that Maine is ready to connect all electronic healthcare information across the state at an estimated one-time capital cost of \$30 million and with annual operating costs of \$1.5 million. Full implementation has been shown to reduce total statewide health care expenses by \$50 million annually.
- **Chamber of Commerce.** (1) Consortium should include employer representation; (2) concerned that business would have to shoulder funding of EMR; notes that report is unclear whether bond-issue would be used for loans or grants; (3) supports loosening of Rule 850 beyond Commission recommendation; (4) supports concept of voluntary cost and operating margin targets; (5) supports CON chapter, but urges change to specify that CON fees be placed in dedicated fund for CON staffing and review; (6) urges report to recognize that many employers undertake wellness initiatives and urges inclusion of incentives for employers to undertake such initiatives; does not support snack tax.
- **Maine Medical Association.** Supports: public funding for EMR; consortium (with cautionary notes); standardized reporting of financial information; voluntary targets for operating margins. Says that report discusses high costs, but not the reason for high costs. Wants more on malpractice reform.
- **Anthem.** (1) Expresses general support, but would place more emphasis on cost-shifting. (2) Has particular concerns about effect of weakening anti-trust on insurers' ability to negotiate with hospitals. (3) Wants further changes to Rule 850. (4) Supports EMR, but says it is a long-term and costly goal; urges inclusion of low- or no-cost steps to improve quality, efficiency and safety in short-term. (5) Notes that voluntary targets do not translate to lower rates for insurers, due to cost-shifting and new technology and advances in medicine.
- **Consumer Groups (Consumers for Affordable Health Care and various members of Maine People's Alliance).** Generally supportive, but: (1) believes discussion of public payors without discussion of private payors is incomplete and fails to meet Commission's statutory charge; urges inclusion of a section on private health insurance; (2) believes discussion of public payors fails to take into consideration the fact that public payors remove burden on most costly risk pools from private insurance market; (3) urges continuation of 3.5% voluntary targets for cost per unit increases. (4) urges lowering of CON thresholds.
- **Maine Council of Senior Citizens.** Similar to consumer groups' comments.
- **Maine Public Health Association and Maine Center for Public Health.** Supports strong emphasis on wellness and makes specific suggestions to further strengthen.
- **Maine Women's Lobby.** Supportive.
- **Maine Osteopathic Association.** Supportive. Wants more on malpractice reform.

- **Attorney General's office.** Suggests that report should state that, while planning and discussion of potential collaborations are generally permitted by private parties through the Consortium, the resulting collaborative plans would not be implemented without approval of the State through the Hospital Cooperation Act process. Recommends specific language to clarify.
- **The National Alliance for the Mentally Ill** urges the Commission to include mental health in its report.

Appendix: List of Commenters

Organization	Name	Presented
Hospitals		
1. Miles Memorial Hospital	Norman Hochgraf	Portland
2. York Hospital	Jud Knox	Portland
3. York Hospital	Alan Reid	Portland
4. Maine Health	Elizabeth Mitchell	Portland
5. Parkview Adventist	Ted Lewis	Augusta
6. MHA, Penobscot Bay Medical Center	Roy Hitchens	Augusta
7. Cary Medical Center / City of Caribou	Stephen Buck	Augusta
8. Midcoast Hospital	Bob McHugh	Augusta
9. MaineGeneral	Tony Marple	Augusta
10. Waldo County General Hospital	Mark Biscone	Bangor
11. Eastern Maine Healthcare Systems	Dan Coffey	Bangor
12. Cary Medical Center / Self	Alana & Eric Margeson	Bangor
13. MHA, Mayo Regional Hospital	Ralph Gabarro	Bangor
14. Blue Hill Memorial Hospital	Tim Garrity	Bangor
15. Calais Regional Hospital	Dennis Mahar	Bangor
16. Mount Desert Island Hospital	Art Blank	Bangor
17. Houlton Regional Hospital	Doris Kennedy	Bangor
18. Houlton Regional Hospital	Adam Richardson	Bangor
19. Houlton Regional Hospital	Jessie Drysdale	Bangor
20. Calais Regional Hospital	David Finer	Bangor
21. Eastern Maine Medical Center	Debbie Johnson	Bangor
22. Eastern Maine Medical Center	Arthur Comstock	Bangor
23. Cary Medical Center	Carl Flynn	Bangor
24. The Acadia Hospital	Dotty Hill	Bangor
25. Calais Regional Hospital	Ray H. Davis, Jr.	Sent comments
26. Calais Regional Hospital	Charles (Brand) Livingstone	Sent comments
27. Maine Coast Memorial Hospital	Douglas T. Jones	Sent comments
28. Southern Maine Medical Center	Edward J. McGeachey	Sent comments
Organizations Other Than Hospitals		
1. Maine Medical Association	Gordon Smith	Portland
2. Anthem	Sharon Roberts	Portland
3. Unum Provident	David Brenerman	Portland

4. Maine People's Alliance	Janet Houghton	Portland
5. Self (Pediatrician at Maine Medical Center)	Tom Brewster	Portland
6. Self (Nurse at Parkview Adventist)	Cheryl McWilliams	Portland
7. National Alliance for the Mentally Ill	Carol Carrothers	Augusta
8. Maine Medical Association	Larry Mutty	Augusta
9. Maine Quality Forum	Dennis Shubert	Augusta
10. Self (employee, CON Unit at DHHS)	Steven Keaton	Augusta
11. Consumers for Affordable HealthCare	Hilary Schnieder	Augusta
12. Chamber of Commerce	Kris Ossenfort	Augusta
13. Maine People's Alliance	Rufus W	Bangor
14. Maine People's Alliance	Sarah Stalman	Bangor
15. Self (former family practitioner, researching book on healthcare reform)	Mark Battista	Bangor
16. Maine Health Information Management Association	Pamela Haney	Sent comments
17. Maine Osteopathic Association	Kellie P. Miller	Sent comments
18. Attorney General's Office	Christina M. Moylan	Sent comments
19. Maine Women's Lobby	Sarah Standiford	Sent comments
20. Maine Council of Senior Citizens	John Carr, President	Sent comments
21. Bath Iron Works	Kevin Gildart	Sent comments
22. Maine Public Health Association and Maine Center for Public Health		Sent comments